Loans Entered as Capital Expenditure in Balance Sheets

5544. DR. NAUNIHAL SINGH: Will the Minister of POWER be pleased to state :

(a) whether Government are aware that the interest on Government loan and loan given by all the financial institutions is not shown in balance sheets as capital expenditure;

(b) if so, whether Government consider this as another essential financial reform long overdue; and

(c) what steps are being taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P. V. RANGAYYA NAIDU): (a) While introducing the uniform commercial accounting system for the SEBs in 1985-86, it was decided that interest during construction should be capitalised and treated as part of the capital cost of power projects and exhibited in the Balance Sheets. As per the available information, all SEBs except Assam have been following the above procedure.

(b) and (c) Do not arise.

Conversion of Government Loan to Equity in SEBs

5545. DR. NAUNIHAL SINGH: Will the Minister of POWER be pleased to state:

(a) whether Government would consider the conversion of 50 per cent Government loan in the form of equity, so that the Electricity Boards would save the liability of payment of interest on loans; and

(b) if so, the detail thereof?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P. V. RANGAYYA NAIDU): (a) and (b) As per the provisions of the Electicity (Supply) Act, 1948, the State Governments are the competent authority to convert the loans given by them to State Electricity Boards into capital. The Action Plan adopted in the Power Ministers' Conference held in January, 1993 envisages conversion of the outstanding loans given by them to SEBs into equity, at least to the extent of the outstanding Rural Electrification subsidy and interest thereon.

Rationalisation of Agricultural Tariff

5546. DR. NAUNIHAL SINGH: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that the rationalisation of tariff for agricultural consumers could alone generate additional resources of more than Rs. 5500 crores annually;

(b) if so, whether Government are considering any proposal in this regard; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P. V. RANGAYYA NAIDU): (a) Yes, Sir.

(b) and (c) The Action Plan adopted in the Power Ministers' Conference held in January, 1993 provide for, among other things, rationalisation of tariff structure and fixation of minimum agricultural tariff at 50 paise/kwh, which would facilitate generation of additional resources.

Extension of Maharashtra Raw Cotton (Procurement, Processing and Marketing) Act, 1979

5547. SHRI VITHAL NARHARI GADGIL: Will the Minister of TEXTILES be pleased to state:

(a) whether the Maharashtra Government has applied for extension of the Maharashtra Raw Cotton (Procurement, Processing and Marketing) Act, 1979 for further period of 10 years;

(b) whether Government propose to grant the extension; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI G. VENKAT SWAMY): (a) Yes, Sir.

(b) and (c) The Government has not so far taken a decision on the proposal of the Maharashtra Government for extension of the Maharashtra Raw Cotton Procurement Monopoly Scheme beyond 30-6-94.